

Michigan House Representatives

Healthcare Committee

HB 5345

Paul Hufnagel, President of the Michigan Professional Firefighters Union – We represent over 5,000 firefighters in 127 communities throughout the state.

With me today is Bryan Epling, President of the Lansing Firefighters, Local 421. He's here to provide you with background local unions bargaining for healthcare.

We're here today to speak about HB 5345 the "Proposed healthcare plan for Michigan public employees."

The Michigan Professional Fire Fighters Union and its membership oppose this Bill because of its negative impact on firefighters and their ability to negotiate adequate healthcare coverage.

Firefighters work in a profession that has a high rate of injuries, occupational diseases, and exposure to numerous hazards which makes quality and affordable healthcare coverage an important element of their job. It's imperative that we maintain the right to negotiate healthcare with their local employer.

HB 5345 eliminates the Collective bargaining rights for public employees in Michigan; the very collective bargaining rights that play an essential role in determining that appropriate levels of healthcare for firefighters and their families

For many years firefighters have recognized the impact that rising healthcare costs are having on the communities they work and live in.

This is illustrated in every collective bargaining session across the state where healthcare costs continue to be a primary issue at the bargaining table. Historically, firefighters have worked collaboratively with local governments to contain costs while maintaining effective healthcare coverage.

Regarding the projected cost savings in HB 5345, it is clear that there are no discernible savings to be realized by simply combining hundreds of thousands of workers and retirees into a single plan.

There is no research/report completed on current local government healthcare costs or the participation by employees in designing and paying for the coverage of their plan to validate the savings estimate.

It's apparent that any savings in the HB 5345 will be achieved by reducing and/or eliminating healthcare benefits that local unions have negotiated over many years of bargaining and by abolishing the collective bargaining rights of public employees for healthcare coverage.

Some of the other problems noted in HB 5345:

- No mandate for employers to provide health insurance.

- All costs of the system are placed on the participants and may prohibit local governments from providing healthcare coverage for employees

- The Board decides the type of plans and premiums.

- Unachievable standard for opt-out of state plan.

 - 3 year price of 5% or more in savings

 - Actuarial study

 - Minimum opt in and out standards set by Board

- No proof that this large of a system will provide any economy of scale or savings for local governments

The States used as examples in an earlier report on this legislation– Washington, California, Wisconsin, and Massachusetts, all collective bargaining states – have not mandated participation by all public sector employees in a single statewide health plan.

Instead, they offer a variety of plans where participation by local governments and their employees is voluntary and ultimately determined by the collective bargaining process.

Attacking the healthcare coverage of public employees is not a solution to Michigan's financial problems.

Instead of a mandatory Statewide Public Employee Healthcare Plan, adopting a sound tax structure, supporting quality public services, and providing an environment conducive to raising a family in Michigan should be the legislature's priorities.

An agenda like this will ensure Michigan's future as a quality place to live, work, and raise a family.

I would like to thank Chairperson Byrnes and the committee members for the opportunity to comment on HB 5345.

We would be happy to take any questions from the committee.